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REPORT

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SUBJECT Construction of Private Homes, Mukachevo

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1. Housing was one of many sore spots in Soviet life which affected mostly the low-income group. The government apartment houses and workers' settlements built by individual plants and other enterprises, although their rents were reasonable, were always scarce. Private apartments and rooms were very expensive, often absorbing 30 to 50% of a person's wages. The scarcity of apartments in towns was a characteristic consequence of many features of the Soviet system, such as:
  - a. The complex bureaucratic system of Soviet administration. In the Soviet State everything was owned, administered, and controlled by the State. Hundreds of various offices, organizations and agencies had been established to house administrative functions; many apartment houses are requisitioned for administrative personnel. The administration had sent many officials needing apartments into even the small towns.
  - b. Collectivization of the land, which followed the establishment of the Soviet system. Whether it was the collectivization of land and mechanization of agriculture which released many of the rural population and drove them to urban areas is hard to say. But that collectivization caused the flight of the rural population to the cities was a determined fact. The farmers hated the kolkhozy and used all legal and illegal means to leave them and move into towns. In spite of all the government regulations designed to anchor the rural population to kolkhozy and sovkhozy, a considerable number of farmers found ways to get away from the kolkhoz life and to settle in towns.
  - c. Industrialization; it cannot be denied that the Soviet system was responsible for industrialization of agricultural areas and a considerable expansion of existing industries in industrial areas. This in turn created a demand for additional manpower and, thus, again an increase in the urban population.

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2. The Carpathian Oblast was occupied by the Soviets in 1944 and was officially incorporated into the USSR in 1945. From that time on the housing situation deteriorated, reaching its worst period in 1949. The housing difficulties had induced many newcomers as well as older inhabitants to contemplate building their own houses, although, of course, such an undertaking in the USSR entailed many difficulties and red tape.

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3. [redacted] 25X1  
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[redacted] help in the problems of construction materials or manpower. However, in 1950, this situation was changed; Ordinance 360 of the Ukrainian SSR Council of Ministers was issued entitled, "Government Assistance to Private Constructions" (Postanovleniye o posobii individual'nomu stroitel'stvu). By this ordinance all state administrative agencies and all industrial enterprises were advised to assist their employees and workers in construction of private houses in the following ways:

- a. By making available to such persons, at production costs, all materials needed for construction which were manufactured or sold by the enterprise;
- b. By making available the enterprise's transportation means for transport of construction materials for private builders at the actual cost of fuel used and normal wages paid to drivers;
- c. By making available the manpower needed for construction, as far as an enterprise could, at the normal wages borne by private constructors.

This ordinance, although limiting the activity of the enterprise to their own employees and workers, proved to be a big help to all private constructors. It even became possible to get materials, transportation means, and manpower from other enterprises, providing one had the right friends.

4. Two main problems had to be solved in the case of any private construction: procurement of land and procurement of financial means. The procurement of land [see Para. 5, below] was not difficult providing the builder enjoyed a reputation as a trustworthy individual with permanent employment. Political affiliations [redacted] did not enter into it. Procurement of financial means, except of a state loan up to 10,000 rubles, which could cover only a part of the expenses involved, was much more difficult; success depended on the individual's ingenuity. Since wages were low, nobody could build a house from his regular income. Money, or at least a part of it, had to be obtained through some illegal activity, such as black market speculation [redacted] Some checking on people's financial abilities to build a house was done by the City Soviet and City Tax Office; superficial investigations of people's sources of income were conducted also. All this, however, as well as checking on a builder's activity during the construction period by the tax office and local militia, was not done in a sufficiently thorough way to determine illegalities or to interfere with any construction work. Personal connections and opportune bribery sufficed to overcome most obstacles.

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5. When collectivization of land was effected in the Carpathian Oblast, towns had reserved for their future expansion quite a bit of land outside of their town limits. From this reserve of land, the inhabitants of towns who do not own lots, could obtain at no cost up to 0.15 hectares for their individual needs (gardening, chicken raising, etc.), as long as this land was not needed for the town's expansion. The same land was used for construction of private houses. According to existing laws, land grants assigned to private constructors

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within the city limits could be 0.06 hectares (600 sq. m.) in size, and outside the city limits (kolkhoz and sovkhoz members) .025 hectares (2,500 sq. m.) in size. In order to obtain a lot, the prospective builder had to appear at the city or town land office (Zemel'nyy uchastok gorodskogo sovieta) and receive tentative approval for construction on the lot chosen by him. In case his chosen lot was either assigned to somebody else, or being considered for use by the city, the land office would assign to the applicant another lot if possible in the same area. This completed, the builder had to submit a written application to the Community Property Administrative Section of the City Soviet (Otdel kommunal'nogo khozyaystva gorodskogo sovieta - GorKomKhoz). This application had to be addressed to the president of the gorsoviet and had to contain personal data on the applicant: his employment, wages, reasons for desiring to build his own house, and the number of the land lot assigned to him by the City Land Office. The application then was put on the agenda of the next gorsoviet periodic meeting, which was normally held once or twice a week. As long as an applicant was a citizen in good standing, and the lot assigned would not interfere with the city's expansion project as planned by the gorsoviet, the application was usually approved. If the lot was not suitable, it was replaced by another one. The application approved by the gorsoviet was authorization to the individual concerned to build a house. According to the then prevailing regulations, the building had to be completed within one year. If necessary, one or two extensions, each of six months, could be obtained from the gorsoviet.

6. As expressed in the Soviet Constitution, land could not be owned by individuals. Therefore, the lots assigned to private builders were not considered their private property. The official term used for the lease of such lots was "for the utilization of" (v pol'zovaniye). However, the lots were permanently "attached" (prikreplen) to the houses and could not be disposed of without the house. Where a house built by a private individual was considered his permanent property, depending on the value of the house [see para. 11, below] the house and the lot could be bequeathed to one's relatives, sold, or given as a present. Thus, for all practical purposes, the land was actually also private property.
7. When the authorization of the gorsoviet had been obtained, the prospective builder could order a house plan at the GorKomKhoz. There were several architects on duty with this office, and for a fee of 200 to 300 rubles, they would make the plan and all necessary technical calculations. This plan had to have the approval of the city fire prevention service and the water supply and sewage system authorities, etc. This was done free of charge.
8. All this completed, the individual had to return to the GorKomKhoz to get an architect and take him to the lot where the latter, on the basis of suggestions made by the fire prevention service and the water supply and sewage system authorities, would mark the exact position of the house on the lot. The architect's fee for this service was 75 rubles.
9. This done, the builder could start construction. He would apply to the GorKomKhoz for bricks, cement, stone, sand and other construction materials. GorKomKhoz would issue requests to manufacturers or warehouses to supply the required materials. From then on it was up to the individual concerned, using his personal connections and any other means, to procure these materials. The same applied to transportation means and manpower. [redacted] 25X1  
[redacted] bricks from the City Brick Yard, cement from the City Construction Material Warehouse, stone from the Andesite Stone Quarry 25X1  
[redacted] and window panes from the Quarry's warehouse. For 25X1  
all these materials [redacted] paid the official governmental selling price, 25X1  
except for stone and window panes [redacted] paid the production 25X1

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price. [redacted]

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[redacted] during the building period an inspector from the City Tax Office checked on the manpower employed in the construction. Such inspections were carried out periodically with the purpose of preventing the unauthorized use of manpower and consequently tax evasion. Those builders who were not able to obtain the manpower from the enterprise where they were employed normally used those workers who had tax office permits to work two to three hours daily in their off-duty hours [redacted]

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10. When the foundation of the house was completed, the builder could apply to the State Bank for a loan. The highest loan which could be authorized was 10,000 rubles at an interest rate of two per cent. Depending on many considerations, this mortgage could be granted for five, seven, or at best for 10 years. The State Bank never paid out the entire sum to the builder, but always only payments amounting to 20% of the authorized loan in stages as the house was built. Thus, when the foundation was completed, the builder could receive the first 20%; when the frame was roofed, the second 20%; when the house was entirely completed from the outside, the third 20% of the loan. The remaining 40% of the loan was given when the house was completely finished inside. Certificates from the GorKomKhoz architect stating that the house had been completed, 20%, 40%, 60%, or 100% had to be attached to the requests for part-payment of loans which one presented to the State Bank. The mortgage and interest had to be paid back to the bank in quarterly installments. Failure to meet two or three quarterly payments normally resulted in issuance of a court lien and impounding of some movable property of the builder which was sold at public auction to cover his debt. Subsequent inability to meet the payments would necessarily result in transfer by the court of the house into gorsoviet ownership; the gorsoviet would sell it to the highest bidder at public auction, and repay the bank. [redacted]

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11. When his house had been completely finished, the owner had to apply to the gorsoviet and request an inspecting commission composed of a GorKomKhoz architect and representatives of the fire prevention, water supply, sewage system, and other public utility offices. This commission inspected the house and either gave its approval or made suggestions for changes (with which one had to comply). When the inspecting commission came to approve a house, they also made an appraisal of it at the same time. This was a very important matter, since one's ownership rights depended entirely on the house's appraisal value. According to Soviet legislation, houses valued at over 50,000 rubles were not considered permanent property of individuals but were given to them for their "utilization" for a certain period, after which they were taken over by the State and used as government property. The owner or his beneficiaries could continue to occupy such houses, but they would have to pay rent to the government. As far as I remember, the law governing this policy went as follows:

- a. Appraisal of the house at over 100,000 rubles meant that it could remain in the builder's ownership for 30 years;

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- b. A house valued at over 80,000 rubles remained in the builder's ownership for 40 years;
- c. A house valued at over 50,000 rubles remained in the builder's ownership for 50 years;
- d. A house valued at under 50,000 rubles remained in the builder's ownership indefinitely.

Such houses could be bequeathed, sold, or given as a present by the owner to anybody he wanted.

12. Having received the final inspection certificate and the appraisal statement, the owner had to appear at the notary public office [ ] 25X1 to obtain his owner- 25X1 ship papers. These were drawn up in his name and contained the exact location of the house, value, and all other data. [ ] 25X1 that the ownership paper specified that the land was "attached to the house and given to the owner for his utilization". The notary public fee for the ownership paper was 150 rubles.
13. As soon as the house had been roofed, it had to be insured with the State Social Insurance Administration (GosSotsStrakh). The annual insurance fee was:
  - a. On a one room and kitchen house: 60 rubles
  - b. On a two room and kitchen house: 80 rubles
  - c. On a three room and kitchen house: 100 rubles.
14. Income tax had to be paid on the house from the date of completion. On houses within the city limits, the annual income tax, depending on the house's size was 500 to 900 rubles; on those outside the city limits, 300 to 400 rubles. This income tax had to be paid to the proper tax office in quarterly or semiannual installments in advance. The enforcement of house income tax rules was very strict, and practically the whole annual tax for any given calendar year had to be paid by the month of August.
15. Taking into consideration the use of construction materials obtained at production prices, the use of enterprises' manpower and transportation means, building costs for a house in Mukachevo from 1950 to 1952 were as follows:
  - a. A house composed of one combined bed/living room and kitchen: 20,000 to 30,000 rubles
  - b. A house of one bedroom, one sitting room, kitchen, and bath: 40,000 rubles
  - c. A house of two bedrooms, one sitting room, kitchen, and bath: 50,000 rubles.

The majority of houses built in Mukachevo were of the second group, i.e., consisting of two rooms, kitchen, and bath. The largest number of houses were built by skilled workers who could do some work on the house themselves and were able to get help from their enterprise. Normally, as soon as their house was roofed, these workers finished the kitchen roughly and moved in right away, thereby saving the rents they had been paying for their previous quarters; from that point on, construction would progress very slowly, sometimes taking several years before a house would be completed. [ ] 25X1 estimate that this method was followed by 90% of builders.

16. [ ] since the publication of Ordinance 360, about 150 25X1 new houses may have been built every year in Mukachevo.

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